



# THE INTERIM

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## MONTANA LEGISLATIVE PUBLICATIONS RECEIVE NATIONAL RECOGNITION

The Montana Legislative staff produces fine publications, at least in the eyes of those who know a good publication when they see it--librarians. The Legislative Research Librarians staff section of the National Conference of State Legislatures recently selected the 2005 winners for its annual Notable Documents award contest and Montana came out a big winner--in fact, batted a 1000. Three publications prepared by Montana legislative branch staff were submitted for consideration and all three were selected as winners. A "document" for purposes of this award is a publication prepared by a federal, state, or local government agency or by a foundation, consulting firm, or quasi-public or private sector nonprofit organization. Format includes print, microfilm, CD-ROM, periodical/serial, or URL.

Recognized in the category Body of Work--Legislatively Mandated were two Environmental Quality Council publications: *Hydrogen, Wind, Biodiesel, and Ethanol: Alternative Energy Sources to Fuel Montana's Future?* and *Montana's Water: Where is it? Who can use it? Who decides?*. These publications, written for studies conducted last interim, were described as "innovative in providing substantive information on contemporary issues of interest to legislatures."

Also selected as a 2005 Notable Documents winner was a series of pamphlets, or *Pocket Guides*, produced by the Montana Legislative Fiscal Division. These 8 1/2" by 11" tri-folded pamphlets focused on 27 different fiscal topics such as Montana Highway Funding, General Fund-Fiscal 2004, Property Tax, Cigarette Tax, and Higher Education Funding. Colorful and filled with easy to understand information, these *Pocket Guides* received the award for best Citizen's Guide by the LRL judges.

The Montana publications will be in the spotlight at the NCSL annual meeting in Seattle in August. The LRL chair will announce the Notable Documents award winners during one of the conference's main events. Copies of the winning publications will be displayed for the duration of the conference. In addition, Montana's award-winning documents will be featured this fall in publications reaching legislators and staff. The publications will be maintained by NCSL and will be available to other states.

Legislative publications from other states recognized as 2005 Notable Documents award winners were *Noncitizens and Minnesota Law: A Guide for Legislators*, and *Gambling in Minnesota: A Short History* (chosen in the Legislator's Guide category) and *Medical Professional Liability Reform for the 21st Century: A Review of Policy Options*, produced by the Pennsylvania General Assembly Joint State Government Commission (a winner in the Public Policy category).

Lisa Mecklenberg Jackson, Montana's legislative librarian, served as the chair of the 2005 LRL Notable Documents award committee. Other judges included Sabah Eltareb, California State Library; Ingrid Hernquist, New Jersey Legislative Services Library; and Elizabeth Lincoln, Minnesota Legislative Reference Library.

The Legislative Research Librarians staff section, one of NCSL's eleven professional staff organizations, was established to promote effective information retrieval

## THE INTERIM

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**THE INTERIM** is a monthly newsletter that reports on the interim activities of legislative committees, including the Legislative Council, the Environmental Quality Council, the Legislative Finance Committee, the Legislative Audit Committee, and interim legislative committees and subcommittees staffed by the Legislative Services Division. Information about the committees, including meeting schedules, agendas, and reports, is found at <http://www.leg.mt.gov>. Follow the "Committees" link or the "Interims" link to the relevant committee. The newsletter is posted on the legislative branch website on the first of each month (follow the "Publications" link).

A Publication of  **Legislative  
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Division**

techniques for legislative libraries; to provide a forum for the exchange of ideas relating to legislative information, operations, and procedures in the states; and to enhance the professionalism of the members. Composed primarily of librarians and information specialists in legislative agencies, the section sponsors an extensive schedule of programs at the NCSL annual meeting and the annual professional development seminar. Each of these meetings focuses on current developments in information management, information technology, and legislative research.

Copies of the award-winning Montana publications are available online at:

- <http://www.leg.mt.gov/content/publications/lepo/2004energyreport.pdf>;
- <http://www.leg.mt.gov/content/publications/lepo/2005waterreport.pdf>; and
- <http://www.leg.mt.gov/css/fiscal/reports.asp>.

Congratulations to our legislative staff who produced these outstanding publications in the service of government!

## LEGISLATIVE AUDIT COMMITTEE

The Legislative Audit Committee met June 16, 2005, in Helena. Committee members include Reps. Dee Brown, Hal Jacobson, Christine Kaufmann, Scott Mendenhall, John Musgrove, and Janna Taylor and Sens. Joe Balyeat, John Brueggeman, Jim Elliott, Dan Harrington, Lynda Moss, and Cory Stapleton.

Legislative Audit Division staff presented the following reports:

### Financial Audit

Montana Water Pollution Control and Drinking Water State Revolving Fund Programs, Department of Environmental Quality, Department of Natural Resources and Conservation (05-25)...This is a financial audit of the Montana Water Pollution Control and Drinking Water State Revolving Fund Programs for the fiscal year ended June 30, 2004. This report contains the audited financial statements and accompanying notes for fiscal year 2003-04. The Legislative Audit Division issued an unqualified opinion on the financial statements, which means that the reader may rely on the financial information presented.

### Performance Audit

Montana Youth Challenge Program, Department of Military Affairs (04P-14)...The Montana Youth Challenge Program (MYCP), located in Dillon, is a state intervention program for at-risk students 16-18 years of age. The MYCP report presents information on three main program components: funding, staffing, and education. The report discusses the recruiting process used by the program to

recruit 200 students a year. The report also looks at federally required placement data for program graduates. The report recommends that long-term outcomes, such as employment and criminal activity, should be examined in addition to placement data upon program completion. The outcome data would provide the Legislature with indicators of program success. MYCP has been operating for over five years and the program is at the point where further legislative involvement could provide benefits for program operations through statutory authorization and policy clarification.

### Information System Audits

Computer Disposal Policy, Department of Administration (04SP-31)...To test the effectiveness of the state's policy on disposal of computers, the Legislative Audit Division acquired computer hard drives from computers no longer used for state business and determined whether all data and software were removed in accordance with a state policy.

LAD staff was able to recover information on twelve of eighteen hard drives tested, viewing sensitive and confidential information remaining on the computers. The report contains one four-part recommendation to strengthen and communicate existing policy requirements.

Fish, Wildlife, and Parks – Automated Licensing System (05DP-03)...The Department of Fish, Wildlife, and Parks operates the Automated Licensing System (ALS) to support licensing operations. System implementation began in 2002 and was completed in 2004. In 2002, a limited scope audit of ALS operations (02DP-07) was performed in support of financial compliance auditors. A follow-up audit was conducted in 2003.

The LAD information systems audit team performed an audit of ALS to assess controls over user access privileges, license issuance fees, the special license drawing process, and the revenue collection process. The report contains one recommendation regarding excessive user access privileges and one recommendation regarding documentation for manual license revenue collection procedures.

Statewide Accounting, Budgeting and Human Resource System, The Department of Administration, (05DP-01 / 05DP-04)...The Statewide Accounting, Budgeting, and Human Resource System (SABHRS) is a commercial software application developed by PeopleSoft and is the state's system for managing budget development and financial and human resource information. SABHRS is used by all state agencies to account for and report the use and disposition of all public money and property in accordance with state law. The SABHRS human resource management system and the financial applications were updated to the web-based version 8 in Sept. 2003 and March 2004, respectively.

The LAD information system audit team examines selected SABHRS controls and operations each year. The current audit scope is based on specific control testing

requested by LAD financial-compliance staff and specific general control testing relating to the environment within

which the SABHRS application is developed, maintained, and operated.

The report contains six recommendations addressing the ability to overwrite stored data, the presence of PeopleSoft provided user accounts and access privileges to vendor information, application code, SABHRS development and processing tools, and hardware.

Next Meeting... The next Legislative Audit Committee meeting has been scheduled for Nov. 4, 2005.

## EDUCATION AND LOCAL GOVERNMENT COMMITTEE

Committee Meets in July. The presiding officers of the 2005 Senate and House Local Government standing committees will be leading the Education and Local Government Interim Committee during the 2005-06 interim. At the committee's organizational meeting on July 15, committee members chose Sen. Jeff Mangan as chair and Rep. Mark Noennig as vice chair.

Local government representatives discussed implementation of legislation enacted during the 2005 session and some of the initiatives they will pursue in 2007. Quality Schools Interim Committee staff reported on the school funding study and a representative of the Office of Public Instruction highlighted some important areas related K-12 education to watch. Finally, members discussed how best to approach their work during the interim, electing to divide into two subcommittees.

The Post-secondary Education Policy and Budget Subcommittee and the Local Government Subcommittee each have seven members, with Sen. Mangan and Rep. Noennig serving on both. K-12 education and topics identified by the subcommittees as warranting the attention of all ELG members will be handled by the full committee. The meeting schedule is still being developed but the full committee will not convene at every scheduled meeting. ELG's webpage on the legislative branch website will be updated with the meeting schedule and work plans. Subcommittee membership is as follows:

### Local Government Subcommittee

Sen. Rick Laible, chair  
Rep. Mike Jopek, vice chair  
Sen. Kim Gillan  
Sen. Jeff Essmann  
Rep. Jon Sonju  
Sen. Jeff Mangan  
Rep. Mark Noennig

### PEPB Subcommittee

Rep. Kathleen Galvin-Halcro, chair

Sen. Bob Story, vice chair  
Sen. Bob Hawks  
Rep. Robin Hamilton  
Rep. Elsie Arntzen  
Sen. Jeff Mangan  
Rep. Mark Noennig

For more information about ELG or the Local Government Subcommittee, contact Leanne Kurtz, committee staff, at (406) 444-3593 or lekurtz@mt.gov. For more information about PEPB, contact Alan Peura (Legislative Fiscal Division), PEPB staff, at (406) 444-2086 or apeura@mt.gov. Information about ELG and its subcommittees will also appear on the committee's webpage.

## STATE ADMINISTRATION AND VETERANS' AFFAIRS COMMITTEE

Committee Organizes, Elects Officers... The State Administration and Veterans' Affairs Interim Committee met in Helena on June 24 to organize for the 2005-06 interim. Sen. Bill Tash was elected presiding officer and Sen. Joe Tropila was elected vice presiding officer. The committee reviewed its statutory duties and met with several state agencies for which the committee has monitoring responsibilities, including the Office of the Commissioner of Political Practices, the Department of Administration, and the Board of Veterans' Affairs. The Committee spent considerable time reviewing the proposed administrative rules to implement Senate Bill 370, a bill that transfers detention officers from the Public Employees' Retirement System to the Sheriffs' Retirement System. Terry Moore, chairman of the Board of Investments, said that he would work with the committee to deal with the problems raised by the House Joint Resolution 42 study of the investment of public retirement funds. The study will examine how investment performance, retirement plan benefits, and legislative policy decisions affect the actuarial soundness of the public employee retirement plans and employer's funding obligations.

Committee Meets in September to Begin Study of Retirement Systems... The committee is scheduled to meet on Friday, Sept. 9 in Room 137 of the Capitol. The details of the agenda have yet to be worked out, but the committee will focus on the HJR 42 study of state retirement plans. The committee will also meet with representatives of the Secretary of State and the Department of Military Affairs and will receive an update on the administrative rules implementing SB 370.

The HJR 42 study topics that will be considered at the meeting can be found on the committee's webpage by clicking on the link labeled "Meeting Schedule and Work Plan" (see pp. 14 and 15 of that document). The committee plans on completing the study before the special legislative session expected to be called in December.

The September meeting agenda will be posted to the committee's webpage as soon as it is available. You can also contact Dave Bohyer, committee staff, at (406) 444-3064 or [dbohyer@mt.gov](mailto:dbohyer@mt.gov).

## ECONOMIC AFFAIRS COMMITTEE

Working Group Meets on Identity Theft...A working group to study identity theft under Senate Joint Resolution 38, which the Legislative Council assigned to the Economic Affairs Committee, will meet Wednesday, Aug. 10 at 9 a.m. in Room 102 of the Capitol. More than 80 people have expressed an interest in the study, which is intended to develop proposals for legislation on the prevention of and restitution for identity theft.

The Economic Affairs Committee adopted an identity theft study plan at its June meeting. The plan is available on the committee webpage under the June 24 "Meeting Materials." Identity theft occurs when someone obtains important information about another person, possibly including a combination of name and address, social security number, bank account numbers, or credit card numbers and uses that information to wrongfully obtain credit card or cellular phone accounts or commit other kinds of theft or fraud. The committee will review legislation being developed or adopted in other states and by Congress to deal with identity theft.

Study of Licensing Boards...The committee is conducting a survey of professional and occupational licensing boards through Aug. 24 as part of the Senate Joint Resolution 35 study. Interested persons, whether they are licensees, a licensee wanna-be, or opposed to licensing, can respond the survey on the committee's webpage under "Assigned Studies, SJR 35." The committee authorized a mailing, public service announcements, and news releases to notify licensees and others about the survey. Survey results and analysis will be posted online before the committee's Sept. 9 meeting.

Committee Urges Appointment of Capital Investment Board...At its June meeting, the committee requested that Gov. Brian Schweitzer follow through with the intent of SB 133 by appointing members to the newly authorized Montana Equity Capital Investment Board. Although the governor had signed the bill, he decided against appointing board members because the Legislature had not funded start-up costs for the board. The committee said that costs would be minimal for at least one board meeting and that those costs could be paid out of the governor's office or the Department of Commerce. At its Sept. 9 meeting, the committee hopes to have an update on the formation of the Montana Equity Capital Investment Board. The committee is also planning to review activities of the Board of Investments at its next meeting.

Officers Elected, Appointments Made...The com-

mittee elected Rep. Jim Keane as chair and Sen. Don Steinbeisser as vice chair. Appointments required of the committee include the naming of liaisons to the Montana State Fund and the naming of two members to the Rail Service Competition Council. Rep. Keane named himself and Rep. Mike Milburn as liaisons to the State Fund and

Rep. Tom McGillvray and Sen. Ken Hansen to the Rail Service Competition Council.

For more information about the committee, please contact Pat Murdo, committee staff, at (406) 444-3594, or [pmurdo@mt.gov](mailto:pmurdo@mt.gov) or Dawn Field, committee secretary, at (406) 444-3073 or [dfield@mt.gov](mailto:dfield@mt.gov). Bart Campbell is the committee attorney and can be reached at (406) 444-3087 or [bacampbell@mt.gov](mailto:bacampbell@mt.gov).

## CHILDREN, FAMILIES, HEALTH, AND HUMAN SERVICES COMMITTEE

First meeting in August...The Children, Families, Health, and Human Services Committee will meet for the first time this interim on Monday, Aug. 22 at 9 a.m. in Room 137 of the Capitol. The committee will discuss its statutory duties, which include monitoring of the Department of Public Health and Human Services and reviewing the department's administrative rules. Dr. Robert Wynia, director of DPHHS, will provide an overview of the department's activities, and John Chappuis, deputy director, will present a proposal to implement a health insurance flexibility and accountability demonstration initiative and other demonstration projects through federal waivers as authorized by Senate Bill 110.

Two Interim Studies Assigned...The Legislative Council assigned two interim studies to the committee. Senate Joint Resolution 37 requests a study of the child protection system and SJR 41 requests a study of the mental health crisis response system.

The Legislative Council requested that the committee coordinate the SJR 37 child protection study with the Law and Justice Interim Committee.

Study Plans on Committee's Webpage...The SJR 37 study plan (*Child Protective Services Overview and Draft Study Plan*) is on the committee's webpage and the SJR 41 study plan (*A Study of the Development of Community Mental Health Crisis Response Systems: Overview and Draft Study Plan*) will be posted by Aug. 8. There will be time on the agenda for public comment for each study.

Ways to Participate...Stakeholders who want to participate in the studies should contact Susan Byorth Fox at (406) 444-3597 or [sfox@mt.gov](mailto:sfox@mt.gov). Persons who want to be on the interested persons list can subscribe for electronic notices at the committee webpage or contact Fong Hom at (406) 444-0502 or [fhom@mt.gov](mailto:fhom@mt.gov) to be placed on the hard copy mailing list.

**TIME AND TIDE**

(Tempus fugit)

<u>Event</u>	<u>Days remaining</u>
Special session (Dec. xx, 2005)	±135
Date for completion of interim committee work (Sept. 15, 2006)	417
General election (Nov. 7, 2006)	464
60th Legislature convenes (Jan. 3, 2007)	521

## THE BACK PAGE

### WHAT'S HAPPENING WITH SCHOOL FUNDING IN MONTANA

By Connie Erickson, Research Analyst  
Legislative Services Division

Almost every week, one of Montana's newspapers runs an article or an editorial about the school funding study being conducted by the Quality Schools Interim Committee. These articles and editorials paint only a part of the picture of school funding; there are parts of the picture still missing. The purpose of this Back Page article is to paint a more complete portrait of the work of the Committee and to answer many of the questions that legislators and members of the public may have about the school funding study.

#### WHAT ARE WE DOING?

On March 22, 2005, the Montana Supreme Court issued its decision in *Columbia Falls v. State of Montana*. The Court found that the current school funding system was constitutionally deficient and ordered the Legislature to define "quality" as that term is used in Article X, section 1, of the Montana Constitution, assess the educational needs of the schools, and construct a funding system rationally related to educationally-relevant factors. In response, the Legislature enacted Senate Bill No. 152 that defined "quality" and established the educationally relevant factors to be used as "adjustments" in the development of a funding formula. In addition, the Legislature enacted Senate Bill No. 525 that created the Quality Schools Interim Committee whose duties included:

- assessing the educational needs of Montana public school students;
- determining the total costs of providing public schools;
- determining the state's share of the total costs;
- constructing a school funding formula; and
- preparing appropriate legislation.

The Quality Schools Interim Committee is composed of eight legislators and three nonvoting members. The members are:

- Rep. Monica Lindeen, presiding officer
- Sen. Bob Story, vice presiding officer
- Rep. Bill Glaser
- Sen. Dave Lewis
- Rep. Holly Raser
- Sen. Don Ryan
- Sen. Jon Tester
- Rep. Pat Wagman
- David Ewer, representing Governor Schweitzer

- Superintendent of Public Instruction Linda McCulloch
- Dr. Kirk Miller, Board of Public Education

The Committee has assembled a staff of 11 people from the Legislative Services Division, the Legislative Fiscal Division, the Office of Budget and Program Planning, the Office of Public Instruction, and the Montana Senate. In addition, three public school district superintendents have been appointed to the staff by the Committee to serve as liaisons between the staff and the education community in Montana. From time to time, employees of other state agencies will be brought in to assist the Committee in its work.

Because of the court-imposed deadline of October 1, 2005, for the Legislature to "address the very complicated and difficult issues involved in this case", the Committee wasted no time in beginning its work after the 2005 Legislature adjourned. The Committee held its first meeting on May 4, 2005.

Early on in the study process, both the staff and the Committee realized that outside expert professional help would be needed. To that end, the staff prepared and the Committee approved a Request for Proposal (RFP) seeking the services of a professional school finance consultant to provide:

- recommendations and assistance to staff in the design of a study, the collection of data, and in the analysis and evaluation of information necessary to assess the educational needs of Montana's public schools based on Senate Bill No. 152;
- guidance in the determination of the costs of a basic system of free quality public elementary and secondary schools;
- recommendations on the level of funding needed to support the educationally relevant factors outlined in Senate Bill No. 152; and
- recommendations and assistance in the development of a funding mechanism that is based on the costs analysis and that ensures the equitable distribution of the state's share of the costs of a basic system of free quality public elementary and secondary schools.

The RFP was sent out on May 6, 2005, with a response deadline of May 27, 2005. Three responses were received by the deadline: R.C. Wood & Associates, Montana Virtual Education, and Maximus. At the request of the Committee, staff members were selected to serve on the scoring committee. In addition to staff, Dr. Bruce Messenger, Superintendent of Helena Public Schools also served on the scoring committee. After reviewing the three proposals, the scoring committee overwhelmingly recommended that the Committee select R.C. Wood & Associates to serve as the

consultants. At a June 3, 2005, conference call meeting, the Committee accepted the scoring committee's recommendation. On June 6, 2005, R.C. Wood & Associates met with the Committee in Helena to outline the work proposed in the response to the RFP and to begin a series of meetings with the Committee's staff.

R.C. Wood & Associates is based in Florida but has a definite Montana accent. The 6-member team is composed of Dr. Craig Wood, Florida; Steve Smith, Denver; Michael Griffith, Denver; Dr. Don Robson, University of Montana; Dr. Merle Farrier, University of Montana; and Joyce Silverthorne, Pablo. Each member of the team is responsible for a portion of the study.

R.C. Wood & Associates is using several models to quantify the costs of a basic system of free quality public elementary and secondary schools in Montana. These models include successful schools/school districts, professional judgement, evidence-based, and advanced statistical. Several models are being used because of the limitations of each model and because significant variations can occur from each approach. Multiple approaches will produce a range of funding levels from which the Legislature can choose.

R.C. Wood & Associates will also look at multi-district collaboration for such services as professional development, data collection, payroll/employee benefits, and purchasing. The team will provide information on efficient small school cost structures and programs and will analyze effective and efficient American Indian education programs and costs.

On July 5, 2005, two on-line needs assessment surveys went "live", one for the general public and one for every school district in Montana. The public survey gives members of the public an opportunity to comment about the educational needs of their local schools. However, the information from the public surveys will not be used in any statistical analysis. In addition to the school district needs assessment surveys, 121 school districts have been randomly selected to complete a professional judgement survey. The school district surveys will provide the consultants with information that will be used in their cost-identification work. Because of the short time frame in which to design these surveys, many technical problems have occurred. R.C. Wood & Associates has worked diligently to solve these problems in a timely manner so that school districts can complete the surveys with minimal difficulty and has extended the response time in order to offset the delay caused by the technical difficulties.

R.C. Wood & Associates will provide a final report to the Committee on August 30, 2005. The final report will:

- create an inventory of the assessment of the educational needs of Montana's public schools based on the definition of a basic system of free quality public elementary and secondary schools in Senate Bill No. 152;
- articulate the findings regarding the costs of providing a basic system of quality schools;
- make recommendations for the development of a funding formula that is based on the costs analysis and that ensures the equitable distribution of the state's share of the costs; and
- provide recommendations regarding the costs of adjusting the funding formula based on the educationally relevant factors identified in Senate Bill No. 152.

The recruitment and retention of highly qualified school personnel was specifically identified in the court case as an issue to be addressed by the Legislature. Also, personnel costs can account for up to 70% of a school district's budget. The Committee wants to identify an appropriate level of compensation that will allow school districts to recruit quality school personnel and retain them for longer periods of time. In order to help the Committee to determine an appropriate compensation level, a competitive contract was awarded to Dr. Doug Young and Dr. Christiana Stoddard of Montana State University-Bozeman to conduct an economic analysis of the total compensation, with a focus on salaries, that is necessary to recruit and retain quality teachers, administrators, and other school personnel. Drs. Young and Stoddard are expected to submit their final report in late August.

Another area of interest to the Committee is the restructuring of the various funds that school districts manage. Current law requires separate accounting for various revenue sources and applies restrictions on how each revenue source may be spent. Considerable effort is necessary to manage separate funds to ensure that spending restrictions are met. The requirement for numerous school district funds has led to inefficient and inflexible use of public money. A fund structure task force is looking into ways to combine and simplify these various funds for maximum budgetary flexibility, while ensuring accountability and efficiency.

### **DOES THE PUBLIC HAVE ACCESS TO THE COMMITTEE'S WORK?**

The Quality Schools Interim Committee operates the same as any other legislative interim committee. All meetings are open to the public. People who sign up receive notification of every meeting along with an agenda. People who attend the meetings are given an opportunity to address the Committee. Agendas, minutes, staff reports, and other pertinent information are available on the Committee's webpage. Copies of reports given to the Committee at a meeting are made available to the public. Members of the public can always contact Committee members or Committee staff if they have questions or concerns.

In addition, the Committee has taken the unprecedented step of conducting staff work sessions as if they were official

committee meetings. Although meetings of legislative work groups are always open to the public, these staff work sessions are publically noticed and recorded. An agenda is available, and members of the public have an opportunity to comment at the work sessions. The purpose of the work sessions is for staff to discuss research and identify issues for the Committee to address and to develop the agenda for the full Committee meetings. The staff also assists the consultants with their work and researches other issues not addressed by the consultants, for example, transportation, facilities, and school district fund structure. The staff has no authority to make final decisions on any issue. Reports and other written information that the staff uses in its discussions are made available to the public at every work session. Staff also maintains a central file of all reports, documents, etc. used by the staff, the consultants, and the Committee. The file is available for public viewing in the offices of the Legislative Services Division.

During the month of October, the Committee plans on holding a series of public hearings across the state to gain public input on the school funding legislation that will have been drafted by staff by that time. Final revisions will not be made until after the public hearings in order to incorporate the public comments. Two of the hearings will be held at the same time as the MEA-MFT conference in Missoula and the Montana Conference of Education Leadership in Helena, both of which will take place in mid-October. The remainder of the hearings will be spread across the state, the number and the places yet to be determined.

#### **WHY IS THIS WORK BEING DONE SO QUICKLY AND DURING THE SUMMER?**

The Committee realizes that the timing for this very important work is problematic. Ideally, the Committee would like to have 12-15 months to complete this study. The state of Maine took several years to conduct a study of school funding! However, Montana is under a court-imposed deadline of October 1, 2005, to design a new school finance system based upon the needs and costs of public schools and upon educationally-relevant factors. This deadline necessitated a summer study, a time when many small school districts are closed and larger districts are hampered by personnel on vacation or attending classes to maintain certification. The deadline also speeds up the entire study process. Instead of spending weeks or even months designing data-gathering instruments, the Committee and its consultants must complete this work in a matter of days. Analysis of data must also be performed over a period of days rather than weeks. Is this an ideal situation? No, of course not. But, the Committee has no control over the time frame in which to do its work.

#### **WHAT HAPPENED TO THE \$200,000 THAT THE LEGISLATURE APPROPRIATED TO THE COMMITTEE? WHY IS MORE MONEY NECESSARY?**

From the very beginning, the Committee knew that it did not have the in-house expertise to do the work necessary for the design of a new school funding system. Outside consultants would be necessary, and the plaintiffs in the lawsuit agreed. Roughly, \$180,000 is being spent for the consultants. Is this excessive? To those people knowledgeable about school funding studies, this amount is not only not excessive, it is a bargain. In addition, a single one-day meeting of an 11-member committee costs between \$4,000 and \$5,000. There are also costs associated with the weekly work sessions and with the public hearings that will be held all across the state during the month of October. This school funding study is the most important issue facing Montana today. The Committee is committed to doing the best possible job for Montana's public school students.

#### **WILL SMALL SCHOOL DISTRICTS BE FORCED TO CONSOLIDATE?**

The consolidation schools was brought up during a discussion between Dr. Craig Wood and the Committee at the June 6, 2005, meeting of the Committee. In his remarks, Dr. Wood told the Committee that small school districts cost more money to operate and that fact needs to be taken into consideration by the Committee when it designs a new school funding formula. There was no recommendation to forcibly consolidate small districts and the Committee itself has never discussed forced consolidation. Consolidation is a matter of local not state control, and recent consolidations in northcentral Montana prove that local control works best.

#### **WHEN CAN WE EXPECT TO SEE A FINAL PRODUCT?**

After the consultants present their findings to the Committee in late August, the Committee will meet weekly throughout September to design a new school funding formula. Following these meetings, legislative staff will begin work on a bill draft incorporating the decisions made by the Committee. This bill draft will then be the subject of the statewide public hearings in October. Following the public hearings, the Committee will meet in November to put the finishing touches on the bill draft in preparation for the special legislative session expected to be called in December.

#### **WHERE CAN YOU GET MORE INFORMATION?**

If you have questions, concerns, or ideas regarding the school funding study, please feel free to contact one of the members of the Committee. Their names and addresses are available on the Committee's web page at [www.leg.mt.gov](http://www.leg.mt.gov). Move your mouse over "Committees", then "Interim", and then click on "Quality Schools". You may also address your questions, concerns, or ideas to Connie Erickson at (406) 444-3078 or by e-mail at [cerickson@mt.gov](mailto:cerickson@mt.gov). Information on all of the Committee's meetings, including a complete schedule, and the staff work sessions are available on the Committee's webpage.





# INTERIM CALENDAR

UNLESS OTHERWISE SPECIFIED, ALL ROOM DESIGNATIONS ARE IN THE CAPITOL

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
August 2005						
	1	2	3	4	5	6
7	8	9	10 Economic Affairs Committee working group on SJR 38 identity theft study, Room 102, 9 a.m.	11	12	13
14	15	16	17	18	19 The Quality Schools Committee meeting scheduled for this date has been cancelled	20
21	22 Children, Families, Health and Human Services Committee, Room 137, 9 a.m.	23	24	25	26	27
28	29	30 Quality Schools Committee, Room 317, 9 a.m.	31 Quality Schools Committee, Room 317, 9 a.m.			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
September 2005						
				1 Quality Schools Committee, Room 317, 9 a.m.	2	3
4	5	6	7	8	9 State Administration and Veterans' Affairs Committee, Room 137  Economic Affairs Committee, Room 102	10
11	12	13	14	15 Environmental Quality Council Subcommittees:  Agency Oversight; Assigned Studies; and Split Estates- Coalbed Methane	16 Environmental Quality Council, Room 102	17
18	19	20	21 Law and Justice Committee, Room 102	22 Law and Justice Committee, Room 102  Energy and Telecommunications Committee, Room 137  Legislative Council, Room 152	23 Legislative Council, MACo building	24
25	26	27	28	29	30 Revenue and Trans- portation Committee, Room 137, 9 a.m.	



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